

# SHORT TERM RENTALS



# Short-term rentals are everywhere

- Short Term Rentals are everywhere
- They are not new
- They are not a trend
- They are not going away
- \$100 billion global market



# Michigan's numbers

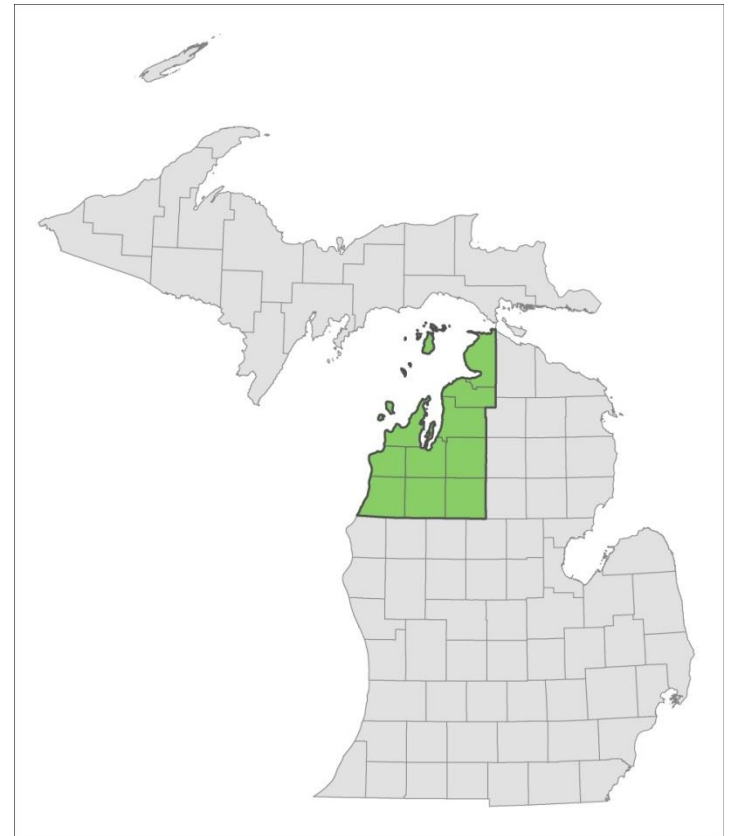


- Our 10 county region accounts for 25% of Michigan's short-term rentals
- 6,235 of 24,869 listings  
(May 2018)
- The same ten counties accounts for just 3% of the population

# Our region

Six of the 10 counties in this region are in the top 20 counties with the most listings:

- Leelanau #2
- Charlevoix #4
- Grand Traverse #8
- Emmet #11
- Antrim #13
- Benzie #16



# A growing industry



- In Michigan the number of short-term rental listings has grown 233% in just two years!
- 84% of the listings are for the entire home



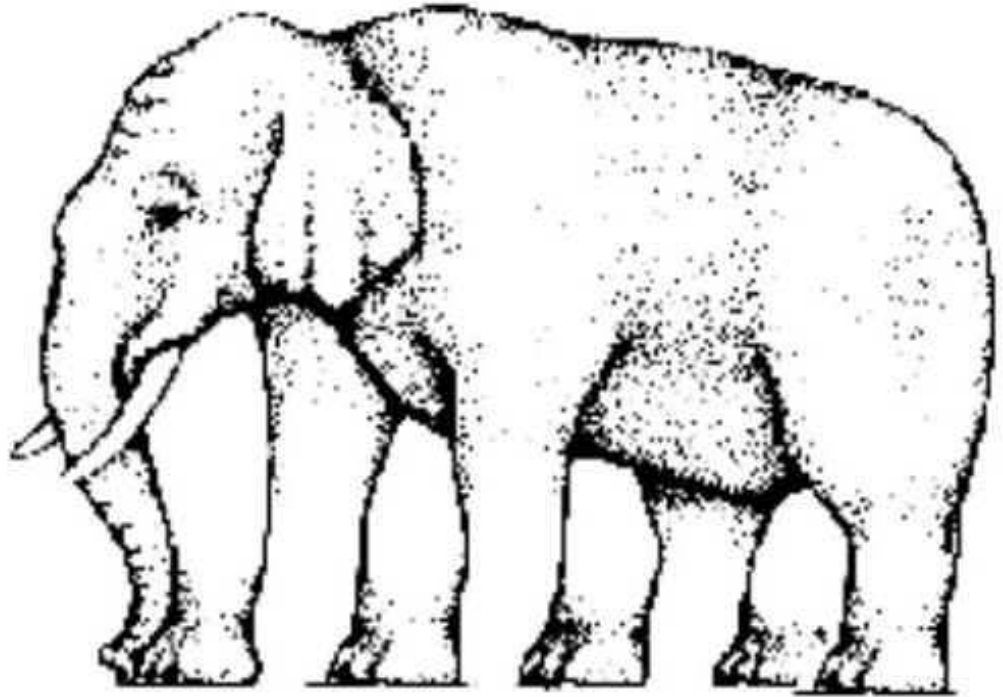
# To regulate or not...

- Know why you are choosing to regulate
  - Impacts on neighborhood/community
  - Noise, parking, other nuisances
  - Preserve year-round housing
- Understand the marketplace
- Enforcement considerations



# There are many viewpoints

- Homeowner
- Neighbors
- Realtors
- Local government
- State Government
- Courts
- Chamber of Commerce
- Area B&B, Motels, Hotels



# Industry viewpoints

- National Association of Realtors:
  - The right to rent is a core property right
  - Regulations should apply to every residence equally
- Insurance companies
  - Any rental operation (long or short term) is a business, therefore it requires special insurance
  - Homeowners insurance does not cover actions/claims of the renters





# Court Cases

## *Concerned Property Owners v Charter Township of Garfield*

- Michigan Court of Appeals ruled in favor of the Township on the basis that short-term rentals were not permitted under the old ordinance.
- Various cases have upheld restrictions on short-term rentals whether the ban comes from an ordinance or arises from private deed restrictions by condominium and homeowners associations.

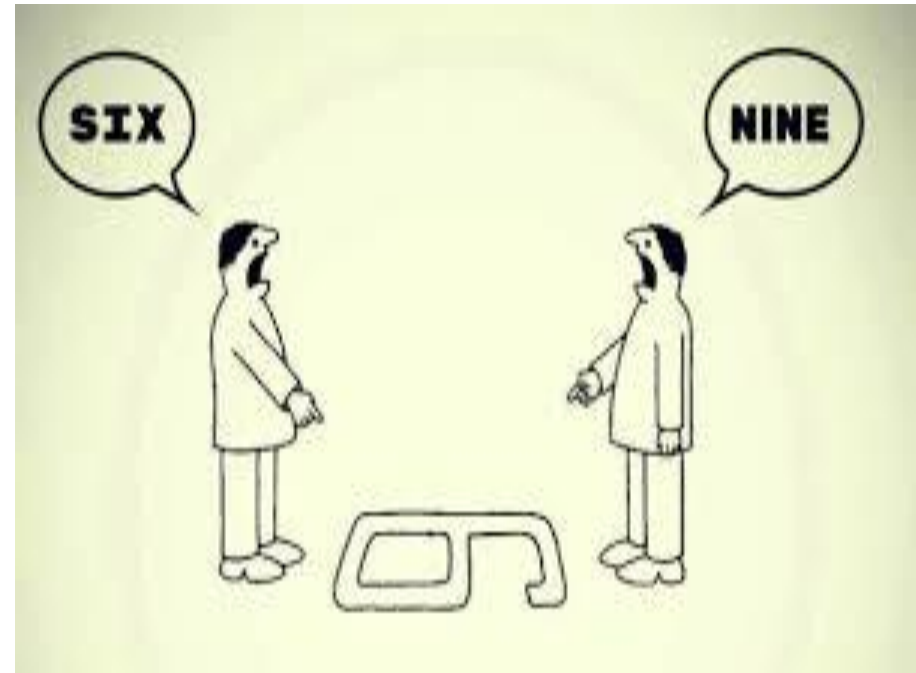


# Introduced legislation

- Senate Bill 326 / House Bill 4503
- Short term rentals:
  - **are a residential use** of property and a permitted use in all residentially zoned districts
  - **are not** subject to a special use or conditional use permit
  - **are not** a commercial use of property

# Community Perspective

- There are many invested viewpoints
- Every community has varying issues
- Each community needs to determine if it wants or needs regulation
- There are many approaches to the idea of regulation



# Different community responses

Municipality	Not Allowed	Allowed	Allowed in Some Districts	Registration Only	Permit /License Required
Acme Township		X			X
Bingham Township		X			
Cadillac		X			X
Charlevoix		X		X	
Elk Rapids - Village			X		
Frankfort			X		
Harbor Springs		X			Special Land Use
Garfield Township			X		
Hayes Township			X		X
Long Lake Township				X-in discussion	
Milton Township		X		X	
Peninsula Township	X				
Suttons Bay Township		X			X
Suttons Bay -Village		X	X		X
Torch Lake Township	X				
Traverse City	X				

# Remain balanced

- Consider all interested parties
- Don't let one side set the agenda, even if they speak louder
- Regulate fairly
- Do what is right for community



# Determine Priorities first

- Understand why you want to regulate
- What is important to the community?
  - Neighborhood character
  - Quality of life
  - Housing pressures
  - Nuisance issues
  - Safety
  - Regulatory consistency
  - Other?



# Get public input

- Listen
- Let people express their opinion
  - Let them rant if they need
- Don't verify or refute
- Look for underlying patterns
- Address the root cause
- Discuss *before* it is a hot issue



# STRs are difficult to regulate

- Make sure standards are enforceable
- Only adopt what you can and will enforce
- The more complex the ordinance the more difficult enforcement will be
- Consider time limits of staff





# Some ordinance Considerations

- Type of structure
- How many per parcel
- Minimum length of rental period
- Local contact person
- Notify the neighbors
- Maximum occupancy number



- Septic system inspection
- Parking
- Fireworks
- Noise
- Campfires
- Trash
- Watercraft
- Other?



# Recap

- Short term rentals are everywhere
- They are here to stay
- Everyone is invested and has an opinion
- Decide what is important to you community
- Take action?



# Questions

Kathy Egan

Community Planner

231-929-5057

[kathy.egan@networksnorthwest.org](mailto:kathy.egan@networksnorthwest.org)



[networksnorthwest.org/community](http://networksnorthwest.org/community)